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SOUTHERN INYO HEALTHCARE DISTRICT

UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF CALIFORNIA
FRESNO DIVISION

In re
SOUTHERN INYO HEALTHCARE
DISTRICT,

Debtor.

Case No.: 2016-10015-A-9
Chapter 9
Doc. No.: KDG-4

Honorable Fredrick E. Clement

**STIPULATION RESOLVING AMENDED
EX PARTE MOTION TO CONTINUE THE
HEARING DATE ON MOTION TO
DISQUALIFY ASHLEY M. MCDOW AND
FOLEY & LARDNER AS ATTORNEYS
FOR THE DEBTOR**

[RELATED TO DKT NOS. 484 & 506]

1 **TO THE HONORABLE FREDRICK E. CLEMENT, UNITED STATES BANKRUPTCY**
2 **JUDGE, ALL INTERESTED PARTIES AND/OR THEIR COUNSEL OF RECORD:**

3 SOUTHERN INYO HEALTHCARE DISTRICT (“SIHD” and/or the “Debtor”), the
4 debtor in the above-captioned bankruptcy case (the “Bankruptcy Case”), on the one hand, and
5 Healthcare Conglomerate Associates, LLC (“HCCA”) and Vi Healthcare Finance, Inc. (“ViHF”)
6 (hereinafter, HCCA and ViHF are collectively referred to as the “Movant,” and the Debtor and
7 the Movants are collectively referred to as the “Parties,” and each a “Party”), on the other hand,
8 hereby submit the within *Stipulation Resolving the Amended Ex Parte Motion to Continue the*
9 *Hearing Date on Motion to Disqualify Ashley M. McDow and Foley & Lardner LLP as Attorneys*
10 *for the Debtor* (the “Stipulation”). The Stipulation is made with reference to the following facts:

11 **I. BACKGROUND**

12 On January 4, 2016, SIHD commenced the instant Bankruptcy Case by filing a voluntary
13 petition for relief (the “Petition”) under chapter 9 of title 11 of the United States Code (the
14 “Bankruptcy Code”). On or about July 12, 2016, the Court entered an *Order for Relief under*
15 *Chapter 9* in the Bankruptcy Case.

16 On or about October 15, 2018, the Movant filed the *Motion to Disqualify Ashley M.*
17 *McDow and Foley & Lardner LLP as Attorneys for the Debtor* (the “DQ Motion”) [Dkt. No.
18 484]. By and through the DQ Motion, the Movant seeks an order of the Court disqualifying
19 Ashley M. McDow (“Ms. McDow”) and Foley & Lardner LLP (“Foley”) as attorneys for the
20 Debtor in the Bankruptcy Case.

21 On or about October 29, 2018, the Debtor served the Movant, Tulare Asset Management,
22 LLC (“TAM”), Medflow, PC (“Medflow”) and Ms. McDow’s former firm, Baker Hostetler LLP
23 (“Baker”) with the Notice and the Amended Notice of Subpoena to Produce Documents,
24 Information, or Objects or to Permit Inspection of Premises in a Bankruptcy Case (or Adversary
25 Proceeding) no later than November 10, 2018 (the “Notice”).

26 On the same date, the Movant, TAM and Medflow informed the Debtor that they
27 intended to, among other things, move to quash the subpoena appended to the Notice (the
28 “Subpoena”) (the “Motion to Quash”), because, among other things, the Movant, TAM and

1 Medflow contend that the Subpoena seeks attorney-client privilege information. Subsequently,
2 the Parties met and conferred regarding potential briefing deadlines and hearing dates relating to
3 not only the Motion to Quash but the DQ Motion (the “Briefing Schedule”).

4 On or about November 1, 2018, in order to preserve its rights with respect to the DQ
5 Motion, the Debtor filed the *Amended Ex Parte Motion to Continue the Hearing Date on Motion*
6 *to Disqualify Ashley M. McDow and Foley & Lardner LLP as Attorneys for the Debtor* (the “Ex
7 Parte Motion”) [Dkt. No. 506]. By and through the *Ex Parte Motion*, the Debtor seeks to
8 continue the hearing date on the DQ Motion from November 14, 2018 at 1:30 p.m. to December
9 19, 2018 at 1:30 p.m. so that it will have sufficient time to oppose the Motion to Quash, receive
10 and review any and all documents received from Baker pursuant to the Subpoena, and file its
11 opposition in response to the DQ Motion.

12 STIPULATION

13 NOW, THEREFORE, the Parties hereby agree and stipulate as follows:

- 14 1. Subject to Court approval, the Briefing Schedule and procedure with regards to the Motion to
15 Quash and DQ Motion shall be as follows:
- 16 a. The deadline for Movant, TAM and Medflow to file the Motion to Quash shall be
17 November 6, 2018;
 - 18 b. The deadline for the Debtor to file an opposition to the Motion to Quash shall be
19 November 16, 2018;
 - 20 c. The deadline for Movant, TAM and Medflow to file a reply in support of the Motion
21 to Quash shall be November 21, 2018;
 - 22 d. The hearing on the Motion to Quash shall be held on November 29, 2018 at 1:30 p.m.
23 before the Honorable Fredrick E. Clement (the “Court”);
 - 24 e. In the event the Motion to Quash is denied, Baker shall produce documents responsive
25 to the Subpoena on or before December 3, 2018, designated attorney’s eye’s only and
26 subject to any other conditions imposed by the Court.
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- 1 f. Any documents produced by Baker in response to the Subpoena, which are to be
- 2 submitted by either Party in support of or in opposition to the DQ Motion, shall be
- 3 submitted under seal;
- 4 g. The deadline for Debtor to file an opposition to the DQ Motion shall be December 7,
- 5 2018;
- 6 h. The deadline for Movant to file a reply in support of the DQ Motion shall be
- 7 December 14, 2018; and
- 8 i. The continued date and time for the hearing on the DQ Motion shall be December 19,
- 9 2019 at 1:30 p.m. before the Court, or such other date and time as the Court deems
- 10 appropriate. Debtor will not, at any time, assert this further delay in the hearing date
- 11 on the DQ Motion as a basis for waiver of Movant’s rights to seek disqualification of
- 12 Ms. McDow and Foley.

13 2. Execution. This Stipulation may be executed in counterparts, which together shall constitute
14 a single document. This Stipulation may be executed by electronic means. Any electronic
15 signature or facsimile or digital image of any signature appended hereto shall constitute an
16 original signature of the signing party.

17 3. Authority. The individuals executing this Stipulation on behalf of any of the Parties hereby
18 expressly warrants that he/she has the authority to execute this Stipulation and his/her
19 execution of this Stipulation shall bind the respective Party to the terms of this Stipulation.

20 4. Approval of Order. The Parties have reviewed and approve of the form and content of the
21 proposed order approving this Stipulation appended hereto as **Exhibit A**.

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IT IS SO STIPULATED.

Dated: November 2, 2018

Respectfully submitted,

FOLEY & LARDNER LLP

By: /s/ Ashley M. McDow
Ashley M. McDow
Fahim Farivar

Attorneys for Debtor,
SOUTHERN INYO HEALTHCARE DISTRICT

Dated: November 2, 2018

**KLEIN, DENATALE, GOLDNER, COOPER,
ROSENLIEB & KIMBALL LLP**

By: /s/ Hagop T. Bedoyan
HAGOP T. BEDOYAN
Attorneys for HEALTHCARE
CONGLOMERATE ASSOCIATES, LLC, VI
HEALTHCARE FINANCE, INC., TULARE
ASSET MANAGEMENT, LLC AND
MEDFLOW, PC